

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6215**

**BILL NUMBER:** SB 25

**NOTE PREPARED:** Nov 7, 2006

**BILL AMENDED:**

**SUBJECT:** Minimum Wage.

**FIRST AUTHOR:** Sen. Bowser

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☒ FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill increases Indiana's minimum hourly wage to \$7.25, and to \$6.25 for certain employees under 20 years of age, beginning July 1, 2007.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The state has ten employees who are paid less than \$7.25 per hour. The cost to increase the minimum wage from the current rate of \$5.15 to \$7.25 per hour on July 1, 2007, is approximately \$35,700 for FY 2008 and FY 2009. The increase in the minimum salary would also affect wage-related benefits such as social security and retirement benefits.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The local impact of increasing the minimum wage is unknown, but probably minor. The percentage increase from the current rate of \$5.15 would be 40.7% on July 1, 2007. The increase in the minimum salary would also affect the local unit's cost of wage-related benefits such as social security and retirement benefits

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:** Department of Personnel staffing database.

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